

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Chelsea Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: April 28, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. This is an earlier date than the prior schedule which assumed payments were made on August 1 and February 1 of each fiscal year. The schedule is effective in FY14 (since the amount under the prior schedule was maintained in FY14) and is acceptable under Chapter 32.

Our understanding is the Housing Authority will continue to make payments on a monthly basis. The enclosed schedule does not reflect this adjustment. Therefore, we will adjust the Housing Authority amounts when we prepare the FY15 appropriation allocation.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl

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Enc.



**Chelsea Retirement System**  
**January 1, 2013 Actuarial Valuation**

4.6% Total Increasing through FY28

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>
2014	2,339,348	150,000	7,117,805	41,452	6,989	9,655,593	85,218,632
2015	2,409,628	147,149	7,303,394	40,664	7,164	9,908,000	84,288,819
2016	2,530,110	147,227	7,638,513	40,664	7,487	10,364,000	82,947,736
2017	2,656,615	147,227	7,988,670	40,664	7,824	10,841,000	81,143,449
2018	2,789,446	147,227	8,354,487	40,664	8,176	11,340,000	78,823,936
2019	2,928,918	147,227	8,736,647	40,664	8,544	11,862,000	75,932,477
2020	3,075,364	147,227	9,176,481		8,928	12,408,000	72,407,227
2021	3,229,132	147,227	9,593,311		9,330	12,979,000	68,180,832
2022	3,390,589	147,227	10,028,434		9,750	13,576,000	63,180,018
2023	3,560,119	147,227	10,482,466		10,188	14,200,000	57,325,156
2024	3,738,124	147,227	10,957,002		10,647	14,853,000	50,529,785
2025	3,925,031	147,227	11,452,617		11,126	15,536,000	42,699,035
2026	4,121,282	147,227	11,970,864		11,627	16,251,000	33,730,064
2027	4,327,346	147,227	12,512,277		12,150	16,999,000	23,510,397
2028	4,543,714	147,227	11,990,136		12,697	16,681,076	11,918,269
2029	4,770,899	147,227				4,918,126	0

Appropriation payments assumed to be made August 1 of each fiscal year

Normal cost assumed to increase 5.0% per year

Assumed expenses of \$325,000

FY14 amount maintained at level of prior funding schedule

4.6% total increasing until FY27 with final amortization payment in FY28